GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4128
ANSWERED ON:27.03.2017
Open Acreage Licencing Policy
Boianapalli Shri Vinod Kumar;Charitra Shri Ram;Chavan Shri Ashok Shankarrao;Gupta Shri Sudheer;Jaiswal Dr. Sanjay;Khadse Smt. Raksha Nikhil;Mahato Shri Bidyut Baran;Maragatham Smt. K.;Mullappally Shri Ramachandran;Singh Shri Kunwar Haribansh;Venugopal Dr. Ponnusamy

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has approved new Hydrocarbon Exploration Licencing Policy and Open Acreage Licencing Policy to undertake and streamline the exploration and production of oil and gas from deep/ultra deep water blocks and if so, the salient features of the same and the time by which the said policy is likely to be implemented;
(b) whether Oil and Natural Gas Corporation Limited and Oil India Limited propose to auction certain unviable small and marginal fields, if so, the details thereof along with the Oil and Gas fields proposed to be auctioned;
(c) whether the Government has recently organised any promotion event in Houston with regard to the country's new Hydrocarbon Exploration and Licencing Policy (HELP) and if so, the details and the outcome thereof along with the key features of HELP;
(d) whether some State Governments have raised concerns against the auctioning of said contracts for small fields and if so, the details thereof and the response of the Government thereto; and
(e) whether the Government has taken any steps to reduce the use/consumption of oil and natural gas in the country and if so, the details thereof and the steps taken/being taken by the Government to attract more foreign investment and boost output of oil and gas in the country?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a): Government of India in March 2016 has approved a new exploration and licensing regime to boost oil and gas exploration in the country and to reduce gestation period for exploration. The salient features of new Hydrocarbon Exploration Licensing Policy (HELP) can be brought out as under:
? Single license for conventional and non-conventional hydrocarbons
? Open Acreage Licensing Policy
? Revenue Sharing Contract
? Graded royalty rates for offshore area
? The contractor will be free to sell the crude oil exclusively in domestic market through transparent bidding process on arms length basis.
? The contractor will have freedom for pricing and marketing of gas produced from these blocks on arms length basis.
? There is no levy of Cess on crude oil.
(b): The Government has approved Discovered Small Field (DSF) Policy for monetization of 69 discovered small fields of Oil and Natural Gas Corporation (ONGC) and Oil India Limited (OIL), which had not been put into production by these companies. Under DSF Policy bid round 2016, Government has recently awarded 31 contract areas to the successful bidders for development of the field.
(c): Government of India organized a promotion event for India's new Hydrocarbon Exploration and Licensing Policy (HELP) at CERA Week 2017 in Houston on 6thMarch 2017. The aim of the event was to encourage active global participation in upcoming investment opportunities in India which has one of the world's fast growing oil and gas industry. Global energy leaders, government dignitaries, policy makers, innovators and industry professionals participated in the event.
(d): Some local people/organizations, have submitted representations, and also filed two petitions in National Green Tribunal (NGT), Southern Zone, Chennai objecting award of some discovered small fields expressing apprehension regarding possible environmental impact. The awarded projects will be taken up for production after following the requisite process including obtaining environmental clearances. ONGC in collaboration with local administration is disseminating information through various local media to allay the apprehensions of people.
(e): The measures taken by the Government to reduce the use/consumption of oil and natural gas in the country, inter-alia, include promoting energy efficiency and conservation measures, giving thrust to demand substitution, capitalizing untapped potential in Biofuels and other alternative fuels/renewable and implementing measures for refinery process improvements.
The details of step taken by the Government through Petroleum Conservation Research Association are as under:-
i. Reducing energy consumption in the industry sector through perform achieve and trade (PAT) scheme.
ii. Reducing energy consumption through introduction of standard labeling program for equipments using peto-based fuels such as Domestic LPG Stoves, Diesel Irrigation Pump Sets & Diesel Generating Sets.

iii.
iv. Carrying out energy audits.
v. Training of drivers and organization of transport workshops.
vi. Educating housewives on efficient use of domestic LPG.
In order to attract more foreign investment and boost output of oil and gas in the country following steps are taken / being taken by the Government:
i. Implementation of Hydrocarbon Exploration Licensing Policy (HELP) and Open Acreage Licensing Policy (OALP) Dissemination of Geo-Scientific data through National data repository (NDR)
ii. Early Monetization of Discovered Fields including small & Marginal fields
iii. Extension of Existing PSCs
iv. Appraisal of unapprised Areas in various sedimentary basins under National Seismic Program and Multi-client Geo-scientific Surveys/activities in order to enable systematic exploration in these areas
v. Re-Assessment of Hydrocarbon Resources of the country
******